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UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK

DEBORAH DONOGHUE

Plaintiff,

ANSWER TO FIRST AMENDED COMPLAINT

- against -

LOCAL.COM CORPORATION and HEARST COMMUNICATIONS, INC.,

Index No. 07 Civil 8550 (LS)

Defendant.

Defendant Local.com Corporation ("Local.com"), by its attorneys Blustein, Shapiro, Rich & Barone, LLP, as and for its Answer to the First Amended Complaint filed by plaintiff Deborah Donohue in this action, alleges as follows:

As alleged in paragraph 3 of the First Amended Complaint, plaintiff has brought this action derivatively in the right and for the benefit of Local.com, which has been named as a party defendant solely in order to have all parties before the court. As a nominal defendant on whose behalf plaintiff has brought this action, Local.com (1) takes no position regarding the validity of the allegations in the First Amended Complaint, (2) consents and agrees to abide by the Court's decisions and ultimate adjudication of this matter; and (3) claims all proceeds, if any, received by plaintiff in this matter - less any fees or costs to which plaintiff may legally be entitled.

Dated: Middletown, New York January 4, 2008

Yours, etc., BLUSTEIN, SHAPIRO, RICH. & BARONE, LLP

By Gardiner S. Carone, Esq. (GB 7938) Attorneys for Defendant Local.com Corp. 90 Crystal Run Road, Suite 409 Middletown, New York 10941 (845) 692-0011

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